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Washington, D.C. 20505

Resource Management Staff

DCI/RMS 78-1212
31 October 1978

MEMORANDUM FOR:
Assistant Director, Intelligence Division
Federal Bureau of Investigation

FROM:
Acting Director, Policy Guidance Office

SUBJECT: Input to the DCI's Annual Report ☐

1. ☐ Preparation of the DCI's Annual Report for calendar year 1978, due to the President and the Congress by 25 January 1979, is now under way. The DCI has approved a concept for this year's Annual Report which is more selective than last year's, both because this seems more appropriate to a 1978 characterized by attention to key intelligence issues rather than the comprehensive report approach used for 1977 as a year of extensive community restructuring, and also to limit length for a busy reader to a manageable 30-40 pages (last year's ran 80 plus). The DCI has also approved an outline for this year's report (Attachment 1). Part I is designed to allow the DCI to highlight the particular characteristics and emphases of 1978 in intelligence; Part II is intended to air several issues of great importance to him, his key Executive users, and the Congress. The Annual Report will carry a high classification and receive extremely limited distribution.

2. ☐ Security and Counterintelligence will be an important topic in this year's Annual Report. Overall input on these subjects is being organized by the DCI Security Committee and by the DCI's Special Assistant for Counterintelligence, Mr. Rusty Williams; they may contact you for comment on aspects of their work. Additionally, Chairman Boland of the HPSCI, in a letter of 15 September 1978 to the DCI on his Annual Report generally, specified the Committee's interest in more detailed treatment of the Bureau's foreign counterintelligence activities in this year's report (Attachment 3).

3. ☐ We have available, of course, details of your program in your FBI/FCI program and budget submissions. We would find it helpful in addition to have your overview, evaluative comments on several specific aspects of your program, as follows; you may of course wish to comment on other program aspects for Annual Report purposes.

a. Considering the individual accomplishments of your several program units, which would you pick out as the most significant for the program as a whole, and why?

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b. What would you cite as your most serious program constraints, and why?

c. It would be helpful to have examples of some of the subjects covered in the field seminars you have held to sensitize field offices and SACs to the importance of the FCIP.

d. Apart from increased numbers, in what ways is the foreign hostile intelligence target more difficult to cope with nowadays?

e. What are some of the subject areas of concentration in your training assistance on international terrorism to other government and law enforcement agencies?

f. How do you approach qualitative evaluation of such matters as the relative worth among targets for recruitment operations, double agent cases, operational assets and the like?

g. What initial objectives do you have in current efforts to upgrade your analytical capability?

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4. You will also note that Chairman Boland's letter requested of the DCI supplemental information on six special subjects; at least two of these, 2 and 6, are in your area of interest and expertise. Responses are being organized by SA/DCI/CI and the DCI Security Committee, respectively, and they have or probably will be in touch with you separately.

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5. You are of course welcome to provide input or comment on any of the outline topics. is responsible for producing this year's DCI Annual Report. Please identify a principal point of contact for her to work with. We shall need your comments by COB 17 November, in order to accomplish integrated drafting of the entire Annual Report in November, review in December, and DCI clearance and production in January.

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Attachments:

1. DCI Revised Outline - AR for 1978
2. DCI letter to NFIB principals requesting help on Annual Report
3. Boland letter to DCI (15 Sep w/atts & DCI interim reply)

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Distribution: DCI/RMS 78-1212

Original & 1 - FBI w/atts

1 - ER w/atts

1 - Chairman, DCI Security Committee w/atts

1 - SA/DCI/CI w/atts

1 - RMS/EO w/atts

1 - RMS/PBO w/atts

1 - RMS/Registry w/atts

1 - RMS/PGO Subject w/atts

1 - RMS/PGO Chrono w/o/atts

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DCI/RMS/PGO (30 Oct 78)

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6 October 1978

DCI REVISED OUTLINE - ANNUAL REPORT FOR 1978

I. 1978 in Intelligence

A. Execution of the E.O. and Other Organizational Questions

1. evolution of the PRC(I); work on user priorities
2. resources: experience in use of DCI's budget authority
3. production
 - a. NFAC's first full year
 - b. DIA
 - c. INR
 - d. DCI substantive committees (EIC, JAEIC, STIC, WSSIC)
4. collection
 - a. status of NITC
 - b. 3 DCI collection committees
5. other management
 - a. DDCI
 - b. NFIB: shifting membership/concerns
6. I&W

B. New or Altered Emphases in Analysis

1. strategic balance: new developments & experience in communicating them
2. proliferating support for arms limitation talks
3. emergence of China as an active world player
4. world petroleum supply

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5. substantive support for crises--e.g., Ogaden, Shaba II
(Afghanistan?)
- C. Intelligence and the Congress
 1. activities in support of both oversight committees
 2. activities in support of other committees
 3. charter legislation
- D. Legal and Propriety Issues
- E. Security and Counterintelligence Issues
 1. Espionage
 - a. Kampiles
 - b. "moles," etc.
 - c. counterintelligence initiatives
 2. Leaks
 - a. Authors
 - b. Others
 - c. Remedies?
 3. Other security measures; e.g., implementation of new industrial security measures
 4. New directions in foreign counterintelligence program
 1. role of new DCI CI coordinator
 2. PRC (CI)
- F. Covert Action - emphasis on mission and programs
- G. Intelligence and the public - new emphases

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H. Major Accomplishments 1978

- a.
- b.
- c.
- d.

II. KEY ISSUES (lead into with NFIP graphics)

The early 1980s budget bow wave and trade-off issues on technical sensors

optical vs. radar imagery upgrade competition: issues, outcome,
rationale;

COMINT/ELINT upgrade needs, appropriate packages

HF modernization

Quality of Analysis and Policy Support

including progress on improving interdisciplinary analysis

collection/production: an appropriate budget balance?

Community ADP

National/Tactical Interface Issues

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